

Harley still riding ahead of Japanese

By Laura Simmons
Scripps Howard News Service

Even as U.S. electronics and auto firms try to cope with the Japanese, the sole remaining U.S. motorcycle manufacturer continues to flank the competition.

The chief executive officer of Harley-Davidson Inc. says it doesn't take big bucks or sophisticated automation to beat the Japanese. Rather, it takes a plan to build customer and employee loyalty and careful marketing.

In 1981 and 1982, the Milwaukee-based firm was almost out of business. This year will be Harley-Davidson's most profitable year in the company's history.

"It's an unusual recovery story. There aren't many U.S. manufacturers who have beaten the Japanese and we seem to have done that," said Vaughn Beals, chairman and chief executive officer of Harley-Davidson.

Temporary limits on Japanese motorcycle imports helped. The import quotas have now been lifted.

Harley-Davidson has been the sole U.S. motorcycle maker since 1953.

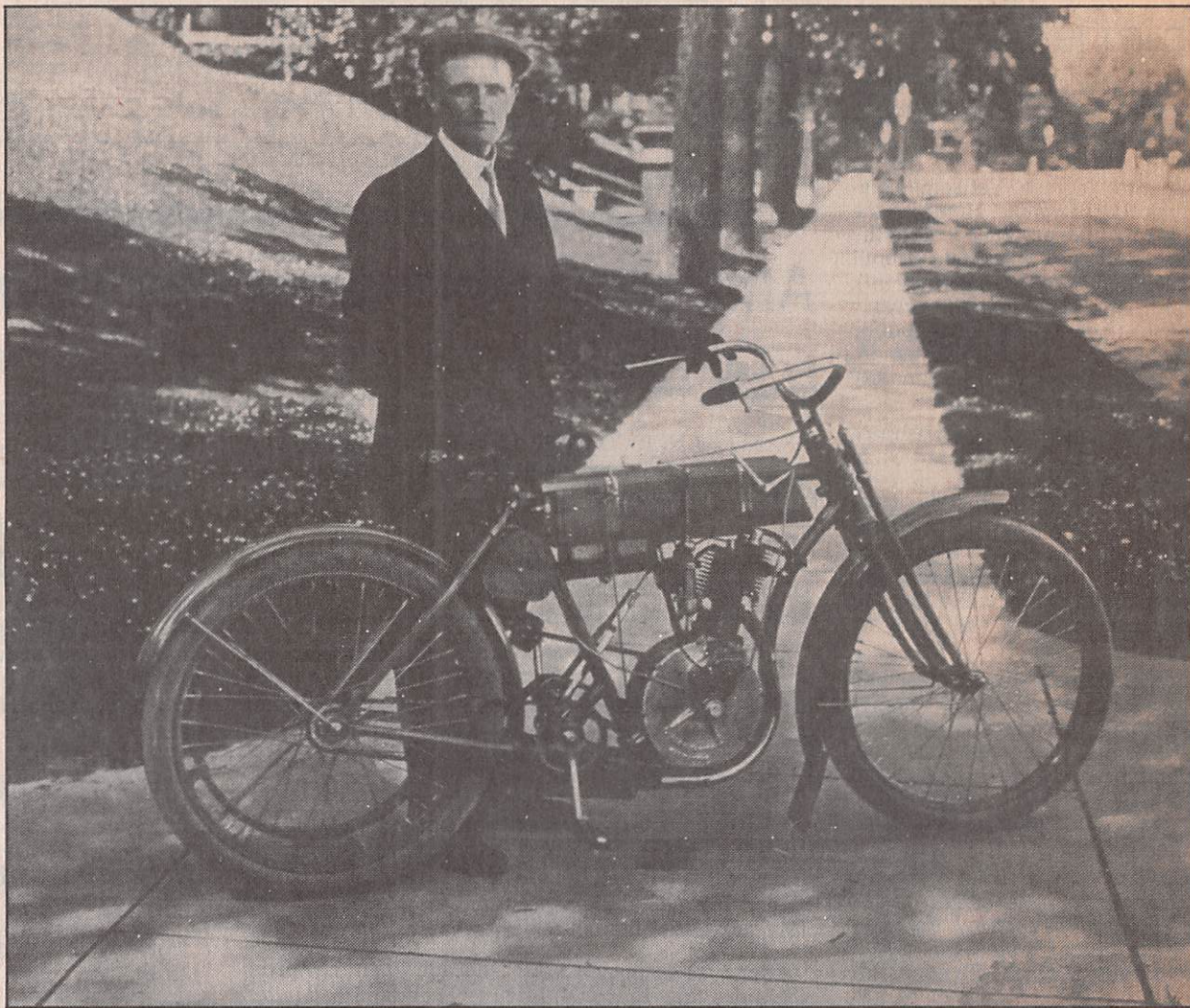
By 1983, its share of the U.S. market for superweight motorcycles had dropped to 23 percent, with competitors Honda, Suzuki, Yamaha and Kawasaki gaining the lion's share.

Harley-Davidson's share has since grown to 38 percent.

"We've always enjoyed a tremendous loyalty," Beals said. "Our competitors tend to treat (motorcycles) as a business. We tend to treat it as a sport."

Harley-Davidson built on its base of loyal customers as part of a three-pronged strategy to regain its competitiveness.

The firm established an owners' club, which sponsors motorcycle rallies at the local, regional and nation-



Walter Davidson, first Harley-Davidson president, poses with his bike in 1908 in Milwaukee.

UPI photo

al level. Contact with customers keeps Harley-Davidson aware of customer likes and dislikes, Beals said.

The recovery strategy also called for adopting Japanese manufacturing practices, including encouraging employee participation. Meanwhile, an import quota curbing the number of Japanese imports helped.

"Briefly, it's getting employees involved and to participate in problem solving," Beals said. "They do quite well when you ask them."

Harley-Davidson also adopted a "just-in-time" inventory process, which improves quality. By keeping inventories low, if a problem arises with a particular part, it's easier to

pinpoint where the problem occurred and correct it.

The third major part of Harley-Davidson's recovery efforts was a 10-year program launched in 1975 to completely redesign its product line.

Total sales this year will be \$650 million, with a profit of about \$13 million, Beals said.

strong

an in the U.S.

price-earnings ratios even before Healthco International, Jewelcor, Pilgrim's Pride, Sequa Class A, TSOicare.

continue to languish. Yet some computer spectacular gains. Here are the top three private pools for the d, according to Managed Account Fund Ltd. (up 155.4 percent), Ltd. (up 136 percent), Liberty percent). And the top three public Fund (up 138.4 percent); Commod-nd (up 67.5 percent), Commodity (up 67.4 percent).

et's almost unanimous bearishness ills of Anderson & Strudwick in "Bonds are now, in fact, more at-teen in at least 50 years." The yield d stocks is now so large, says Mills, eaming buy relative to equities or estment media. Fundamentals also nomy is weakening while the Fed pply growth down the past six

ins are currently the cheapest, and old, claims the Personal Finance ough bullion has jumped over \$100 f these numismatic items trade be- f bullion should dip, old U.S. gold will tend to hold firm. Classic items urrently sell at their lowest premi- f the decade."

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Upcoming meetings and conventions

Reported by the S.L. Convention and Visitors Bureau

Dates	Group	Facility	Projected attendance
Dec. 27-30	University of Utah/Utah Classic	Hilton 5th S.	100
Dec. 28-Jan. 6	Pepsi Cola	Snowbird	300
Total projected attendance			400

After slow start, computer learning takes off

By Victor F. Zonana
Los Angeles Times

SAN FRANCISCO — Seven-year-old Ryan Ballas, a student at E.R. Taylor elementary school, patiently explained the "game" on his Apple II to a hopelessly dense visitor.

"See, you're supposed to pick out all the words with a 'U' in the middle," the second-grader said. "You let the other words drop into the trash can. Here, I'll show you."

Concentrating closely as words flashed onto his screen, Ryan let HAM and BEG go by but hit the space bar to select HUT, HUM, BUN, SUN and BUG. After five correct selections, Ryan reaped his reward: A rabbit materialized on the screen and danced a jig as the computer played a little ditty.

All around Ryan, children at computers squealed happily as Reader Rabbit hopped onto their screens. Barbara Langerman, the computer lab teacher at E.R. Taylor, was equally delighted. "If we tried the same lessons with flash cards, they'd be bored in two minutes," she said.

After a false start earlier this decade when they promised more than they could deliver, personal computers

are making a strong surge in education. Cheaper, more powerful machines and a host of creative and instructionally sound programs from such software publishers as the Learning Co. (maker of Reader Rabbit), Davidson & Associates, Broderbund and Sunburst Communications are fueling the trend.

To be sure, the educational software category remains minuscule compared to the business software market. At least \$20 is spent on business software for every dollar spent on educational programs, according to the Software Publishers Association in Washington. Still, "we can now say that education is no longer a stepchild of the software industry" said Pat Neu, a teacher and software consultant at the Montaloma School in Mountain View, Calif.

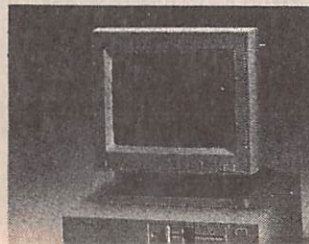
Simply put, good educational software appears to deliver. While computers will never replace teachers — or, for that matter, parents — in education, the debate these days is not whether children benefit from PCs, but what software is best and what kinds of children benefit the most.

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